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## TESTIMONY OF NATIONAL FEDERATION OF INDEPENDENT BUSINESS (NFIB) CONCERNING HB-6380, AAC THE DISCLOSURE OF SALARY RANGE FOR A VACANT POSITION LABOR & PUBLIC EMPLOYEES COMMITTEE FEBRUARY 9, 2021

NFIB is the leading small business association in the nation with thousands of members in Connecticut representing a cross-section of the state's economy. For more than 75 years, NFIB has been advocating on behalf of America's small and independent business owners, both in Washington, D.C., and in all 50 state capitals. NFIB is nonprofit, nonpartisan, and member-driven. Since our founding in 1943, NFIB has been exclusively dedicated to small and independent businesses and remains so today. On behalf of those small- and independent- job-providers here in Connecticut, NFIB offers the following comments:

NFIB has concerns with certain aspects of HB-6380 as currently drafted. NFIB supports gender pay equity as has been the longstanding law in Connecticut and under applicable federal law as well, but NFIB in Connecticut is concerned that elements of House Bill 6380 may serve to open up small business owners to additional litigation. Section 2 of this bill seeks to make a change to longstanding existing law by requiring all employers to provide equal pay based upon "comparable" duties, as opposed to the current and understandable standard of "equal". This one word change essentially opens up or expands one of the comparators when determining if a discriminatory pay variance may exist by replacing "equal" with the much broader and subjective term "comparable". Small business owners are concerned that this would be a disconcerting shift away from the current "equal pay" merit/seniority/incentive-based system and could expose them to litigation challenging whether or not they applied the correct worth to different jobs. Additionally, it is unclear as to how, and by whom, such a standard would even be determined. Lawmakers must keep in mind that many small business owners struggle to maintain compliance with ever-changing workplace laws and regulations, often without the assistance of a full-time human resources or legal department. While no doubt well intended, this bill unfortunately could adversely impact many small business owners.

Additionally, NFIB has concerns with <u>lines 56-57</u> of Section 1, and the fact that a failure on the part of even a small employer to affirmatively provide this information to an employee not less than annually, or conceivably *anytime* "upon the employee's request" could result in a private right of action in civil court. A small business owner who may inadvertently forget once a year to provide the latest pay range for a particular position should not be subjected to this kind of potential legal exposure and damages; rather, the Department of Labor may be better suited to help address any potential violations of this nature.

Finally, it is worth noting that while some proponents of HB-6380 have cited that this bill may mirror legislation passed recently in other states, particularly Washington, the Washington legislation (2019 Washington House Bill 1696) appropriately recognizes the unique nature of small businesses and applies to only those employers with 15 or more employees.

Pay equity is a goal that NFIB and our members in Connecticut certainly support; rather than enacting new laws, a more appropriate focus for the legislature may be to examine ways to better enforce compliance with the current laws to help ensure gender pay equity in Connecticut.

Thank you for the opportunity to comment and for your consideration of NFIB's concerns on behalf of small business. For any questions or additional information, please contact Andy Markowski, NFIB's State Director in Connecticut, at 860-248-NFIB.